



June 13, 2005

The Honorable Kevin Brady
428 Cannon House Office Building
House of Representatives
Washington, DC 20515

Dear Congressman Brady:

We are writing to respectfully urge you and your colleagues to pass the Dominican Republic – Central America Free Trade Agreement (DR-CAFTA) as soon as possible.

As you know, DR-CAFTA countries (Costa Rica, Dominican Republic, El Salvador, Nicaragua, Guatemala, and Honduras) look to the United States for investment and technology. Under CAFTA, all six countries have committed to take steps to improve standards of living and create more opportunities to modernize their economies and break down barriers to trade and investment. By signing DR-CAFTA the U.S. would send a strong vote of confidence in their economic futures.

One of the major advantages of this agreement is that it establishes high standards for liberalizing the high tech and telecommunications sectors in these markets. Nortel has been doing business in DR-CAFTA countries for many years and we strongly believe that liberalization of their telecommunications sectors will spur access by U.S. companies. Not all of the important telecom liberalizing steps taken by some DR-CAFTA countries are included as part of the ongoing World Trade Organization services negotiations. Under DR-CAFTA, market-opening steps in all the countries would lock in permanently, and a clear timetable for the forthcoming liberalization in Costa Rica is provided.

An open telecommunications sector allows companies to integrate their communications systems seamlessly with production and supply chains, making access faster, more reliable and cheaper. Other sectors of the economy function more efficiently with access to affordable and up-to-the-minute equipment and technology. The financial services sector, for example, depends on access to modernize telecommunications systems, allowing them to more efficiently serve customers and conduct business operations.

The tariff liberalization provisions under DR-CAFTA will enable U.S. equipment suppliers such as Nortel to access the markets more easily and improve their position relative to suppliers from Europe and Asia, including China.

Business thrives in environments where the operating rules are predictable, secure and transparent. This agreement meets all the criteria for success: It fully opens up DR-CAFTA markets to U.S. goods and services with almost no additional cost to the U.S. economy. It gives high tech U.S. companies access to markets where demand is

positioned to increase sharply. The agreement offers capacity building opportunities for strengthening regulatory practices and sets a high bar for future trade agreements.

We strongly urge you to approve DR-CAFTA and we hope Congress will finish the ratification process as quickly as possible. For our part, Nortel and our U.S. vendors and suppliers stand ready to take advantage of the new business this agreement will generate. We are eager to move forward; we hope the U.S. Congress is as well.

Nortel, which has more employees in the U.S. than in any of the other 150 countries in which we do business, is a recognized leader in delivering innovative technology solutions to service providers, enterprise customers and government agencies that enhance the human experience, ignite and power global commerce, and secure and protect the world's most critical information. Our portfolio includes end-to-end broadband, Voice over IP, multimedia services and applications, and wireless broadband designed to help people solve the world's greatest challenges.

Sincerely,



Martha Bejar
President,
Caribbean and Latin America



Greg Farmer
Senior Vice President,
Global Government Relations and
International Trade

